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Rothy's, Inc.

9 UNITED STATES DISTRICT COURT  
10 NORTHERN DISTRICT OF CALIFORNIA  
11 SAN FRANCISCO DIVISION  
12

13 ROTHY'S, INC., a Delaware  
14 corporation,

15 Plaintiff,

16 v.

17 BIRDIES, INC., a Delaware  
18 corporation

19 Defendant.  
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Case No.

**Plaintiff's Complaint for:**  
**1. Patent Infringement (35 U.S.C. § 271)**

**Jury Trial Demanded**

## **INTRODUCTION**

1  
2 1. Plaintiff Rothy's, Inc. ("Rothy's" or "Plaintiff"), by counsel, alleges as  
3 follows as its Complaint against Defendant Birdies, Inc. ("Birdies" or "Defendant")  
4 for patent infringement arising under the Patent Act, 35 U.S.C. §§ 1, *et seq.* Rothy's  
5 owns exclusive rights in the ornamental designs claimed in United States Design  
6 Patent Nos. D885,016, D885,017, D909,718, and D870,425 (collectively, the  
7 "Rothy's Asserted Design Patents").

8 2. Birdies has used and continues to use the claimed designs of the Rothy's  
9 Asserted Design Patents, without Rothy's permission, on shoes that Birdies makes,  
10 uses, offers for sale, sells, and/or imports into the United States.

11 3. Rothy's seeks, among other things, permanent injunctive relief to stop  
12 Birdies from infringing its design patents; damages and/or restitution of Birdies'  
13 profits from their infringing activities; prejudgment interest; costs and attorneys'  
14 fees; and all other relief the Court deems just and proper.

## **NATURE OF THE ACTION**

15  
16 4. Rothy's (formerly known as CABH Holdings, LLC) was founded in San  
17 Francisco in 2012, as an innovative ladies' footwear company with a core message  
18 of environmental sustainability. Rothy's products are knitted from recycled material,  
19 and in the process, the company has repurposed over 75 million plastic bottles since  
20 its founding.

21 5. To create Rothy's shoes, recycled plastic is: (a) collected after consumer  
22 use; (b) sterilized; (c) melted into pellets; and (d) spun into soft fiber yarn suitable  
23 for knitting. The yarn is then knitted together using Rothy's novel "360 degree" 3-D  
24 knitting process. Among the purchasing public, Rothy's shoes are instantly  
25 recognizable by their signature knit.

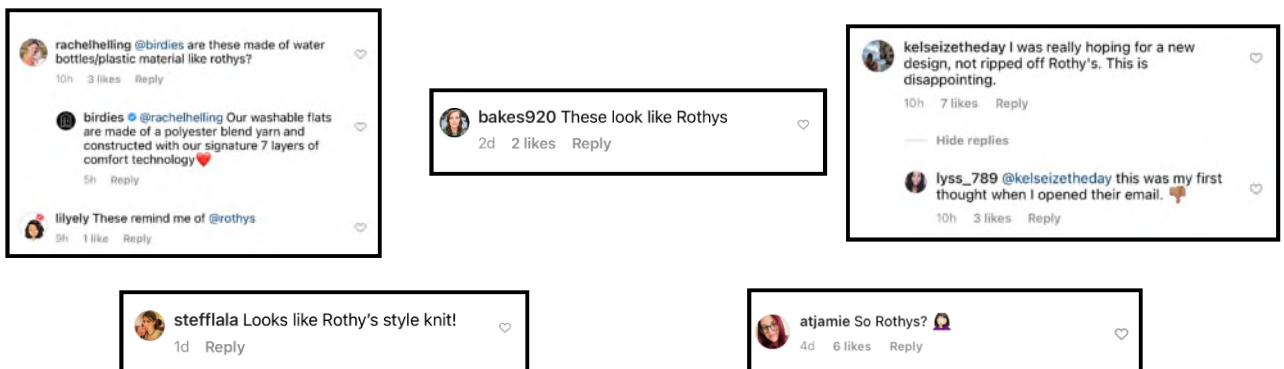
26 6. Since its founding, Rothy's has become enormously popular, driven by  
27 its demanding quality standards and innovative designs. Indeed, Rothy's has what  
28

*Business Insider* describes as a “ravenous following” for its unique, novel, sustainable, comfortable, and stylish shoes.

7. Rothy’s creative achievements have resulted in broad intellectual property protection for its innovations, including design patents. Nevertheless, Rothy’s innovations have been the subject of frequent copying by those attempting to capitalize on its success by illegally imitating Rothy’s protected product designs.

8. One of those imitators is Birdies. Instead of pursuing independent product development, Birdies has chosen to copy Rothy’s innovative and distinctive product designs in violation of Rothy’s valuable intellectual property rights. As alleged in detail below, in an effort to trade off the valuable intellectual property rights Rothy’s has obtained through its innovation and significant investment, Birdies blatantly copied nearly every aspect of the valuable Rothy’s designs through willful patent infringement.

9. Consumers have immediately associated Birdies’ newly-launched, infringing shoe with Rothy’s. Below are just a few examples of the many posts made on Birdies’ own Instagram account, which include comments such as “These remind me of @rothys”; “Looks like Rothy’s style knit!”; “I was really hoping for a new design, not ripped off Rothy’s. This is disappointing.”



10. Unfortunately, although Birdies has blatantly copied Rothy’s protected product designs, it chose not to emulate Rothy’s commitment to environmental sustainability. On information and belief, Birdies manufactures its infringing shoe

1 using non-eco-friendly materials and processes. For example, in the one of the social  
2 media posts referenced in Paragraph 9 above, Birdies when asked if its infringing  
3 shoe was made from recycled plastic bottles, responded only that its shoe was made  
4 from polyester. On information and belief, Birdies does not use yarn or materials  
5 derived from recycled plastic bottles to manufacture its infringing shoe.

6 11. Through this action, Rothy's seeks to protect its valuable intellectual  
7 property by enjoining Birdies' illegal conduct and obtaining compensation for  
8 Birdies' blatant infringement and free-riding on the substantial investments Rothy's  
9 has devoted to funding its innovation.

### 10 **THE PARTIES**

11 12. Rothy's is a corporation organized and existing under the laws of the  
12 State of Delaware, with its principal place of business at 807 Montgomery Street, San  
13 Francisco, California 94133.

14 13. On information and belief, Defendant Birdies is a corporation organized  
15 and existing under the laws of the State of Delaware, with its principal place of  
16 business at 655 Montgomery Street, Suite 1650 San Francisco, CA 94111, and is  
17 doing business in the state of California.

### 18 **JURISDICTION AND VENUE**

19 14. This is an action for patent infringement arising under the patent laws  
20 of the United States, 35 U.S.C. § 100 et seq. This Court has subject matter jurisdiction  
21 pursuant to 28 U.S.C. §§ 1331 and 1338(a).

22 15. This Court has personal jurisdiction over Defendant Birdies because  
23 Birdies maintains its principal place of business in this District. This Court also has  
24 personal jurisdiction over Birdies because Birdies regularly solicits and conducts  
25 business in this District and engages in other persistent courses of conduct in this  
26 District. This Court also has personal jurisdiction over Birdies because Birdies  
27 derives substantial revenue from goods and services sold to persons or entities in this  
28 District and commits acts of infringement in this District, including but not limited

1 to making, using, offering to sell, selling, and/or importing products that infringe one  
2 or more claims of Rothy's patents at issue in this lawsuit.

3 16. Venue is proper in this District pursuant to 28 U.S.C. §§ 1391 and 1400  
4 because Birdies maintains a regular and established place of business in this District  
5 and has committed, and continues to commit, acts of infringement in this District,  
6 including but not limited to making, using, offering to sell, selling, and/or importing  
7 products that infringe one or more claims of Rothy's patents at issue in this lawsuit.

### 8 **INTRADISTRICT ASSIGNMENT**

9 17. Because this action is an Intellectual Property Action within the  
10 meaning of Civil Local Rule 3-2(c), the action is to be assigned on a district-wide  
11 basis.

### 12 **FACTUAL ALLEGATIONS**

#### 13 **ROTHY'S AND ITS INNOVATIVE DESIGNS**

14 18. In 2012, William Roth Martin and Stephen Hawthornthwaite founded  
15 Rothy's in San Francisco, California, and they began the design and development of  
16 Rothy's revolutionary, industry changing footwear. Rothy's first shoe designs were  
17 two different shape variations of the style of shoe known as a "ballet flat," named  
18 The Flat (having a rounded toe) and The Point (having a pointed toe). These ballet  
19 flats were the first to showcase a design having the signature, knitted look that  
20 Rothy's is known for.

21 19. Rothy's flat designs quickly gained success in the market, becoming a  
22 coveted lifestyle product across the United States, and earned a reputation with  
23 consumers for their comfortable fit, extremely attractive aesthetic, and sustainability.

24 20. As early as August 2016, news outlets praised Rothy's flats as "not only  
25 . . . among the most politically correct shoes on our beleaguered planet, they are also  
26 adorable." Lynn Yaeger, *The Most Environmentally Friendly Shoes on the Planet*  
27 *Also Happen to Be the Cutest*, Vogue (Aug. 17, 2016),  
28 <https://www.vogue.com/article/rothys-shoes-chic-recycled-eco-friendly-flats/amp>.

1 Because Rothy's shoes "are elegant, breathable, and so comfortable," it has led to  
 2 "the shoes hav[ing] amassed a loyal global clientele, many of whom can't stop talking  
 3 about them online and off." Tariro Mzezewa, *What if Your Environmentally Correct*  
 4 *Shoes Were Also Cute?*, New York Times (June 6, 2017),  
 5 [https://www.nytimes.com/2017/06/06/fashion/rothys-recycled-plastic-bottle-](https://www.nytimes.com/2017/06/06/fashion/rothys-recycled-plastic-bottle-shoes.html)  
 6 [shoes.html](https://www.nytimes.com/2017/06/06/fashion/rothys-recycled-plastic-bottle-shoes.html). And those "obsessed with Rothy's" footwear proclaim that "not only are  
 7 these shoes adorable, they're also eco-friendly." Catherine DiBenedetto, *I Have*  
 8 *Meghan Markle's Go-To Flats—And They Are the Most Comfortable Shoes I've Ever*  
 9 *Owned*, Health (Nov. 7, 2018), [https://www.health.com/style/comfortable-flats-](https://www.health.com/style/comfortable-flats-rothys)  
 10 [rothys](https://www.health.com/style/comfortable-flats-rothys).

11 21. Rothy's continued to innovate, and in or around November 2017, it  
 12 released first of their kind knitted loafers in two styles: the Loafer (a slipper cut  
 13 ballerina flat having a round toe) and the Pointed Loafer (a slipper cut ballerina flat  
 14 having a pointed-toe). The Pointed Loafer was a limited edition and is coveted by  
 15 collectors, often referred to by consumers, along with other sold out or difficult to  
 16 find styles, as a "Rothy's Unicorn." An example of the Pointed Loafer shoe, with its  
 17 unique design, is shown below.



22. In total, Rothy's has invested roughly 9 years and vast financial resources in the conception, design, manufacture, marketing, and sales of its innovative footwear.

23. Rothy's brand has built a strong and devoted fan base, including on social media, with its Facebook page having over 334,000 followers, its Instagram handle having over 339,000 followers, and numerous fan groups on Facebook having been created and joined by thousands of dedicated "super-fans," including, for example, Facebook groups named "Rothy's Addicts," "Rothy's Unicorn Collective," "Rothy's BST," and "Rothy's Buy/Sell/Trade and Chat." The widespread consumer recognition acquired by Rothy's was recognized in *Forbes* magazine, which noted the "[o]bsessive Rothy's customers [that] wait in line outside the company's miniature Fillmore Street store and join a private Facebook group for self-described Rothy's addicts with nearly 14,000 members." Amy Feldman, *Next Billion-Dollar Startups: Rothy's Makes This Year's 'It' Shoe. But Can It Keep Growing Amid A Flood Of Copy Cats—And A Founder's Departure?*, FORBES (July 16, 2019), <https://www.forbes.com/sites/amyfeldman/2019/07/16/rothys-shoes/#46a8690079d5>.<sup>1</sup>

24. Rothy's designs are important components of Rothy's strategy and are integral to Rothy's success. As such, Rothy's has taken steps to protect its innovative designs, including by applying for and obtaining design patents from the United States Patent and Trademark Office (the "USPTO"), and around the world. Rothy's patent applications were reviewed by trained patent examiners at the USPTO, and its issued design patents are presumed valid.

25. With Rothy's fame and recognition have come imitators, intent on creating knockoff and counterfeit products that infringe upon Rothy's intellectual property, including its design patents. To counteract such infringing acts, Rothy's

<sup>1</sup> This article references that Stephen Hawthornthwaite had temporarily stepped down as Chief Executive Officer of Rothy's. Mr. Hawthornthwaite has now returned as acting CEO of Rothy's.



1 polices the market and enforces its intellectual property, including by sending cease  
 2 and desist letters and, when necessary, filing lawsuits against third parties. In one  
 3 such lawsuit, a Consent Decree was entered enjoining the accused party from  
 4 manufacturing, marketing and selling the accused shoe after December 31, 2019,  
 5 acknowledging the validity of certain of Rothy's design patents, and providing for  
 6 the accused parties to redesign the accused shoe. *See* Order, D.I. 80, *Rothy's Inc.*  
 7 *v. JKM Techs., LLC*, No. 3:18-CV-00067-MFU-JCH (W.D. Va., filed Sept. 18,  
 8 2018). Further, the UK Intellectual Property Enterprise Court recently granted  
 9 judgment in favor of Rothy's in *Rothy's v Giesswein* [2020] EWHC 3391 (IPEC),  
 10 finding that Rothy's Registered Community Design ("RCD") for the pointed-toe,  
 11 slipper cut ballerina flat having a knitted upper was both valid and infringed.

#### 12 THE ROTHY'S ASSERTED DESIGN PATENTS

13 26. By way of assignment, Rothy's is the owner of all rights, title and  
 14 interest in and to United States Patent No. D885,016 (the "'016 Patent") for an  
 15 ornamental design entitled "Shoe." The '016 Patent, a copy of which is attached  
 16 hereto as Exhibit A, was filed on May 10, 2017, and duly issued by the United States  
 17 Patent and Trademark Office on May 26, 2020. Such right, title, and interest includes,  
 18 without limitation, the right to sue and receive damages for past, present, and future  
 19 patent infringement.

20 27. By way of assignment, Rothy's is the owner of all rights, title and  
 21 interest in and to United States Patent No. D885,017 (the "'017 Patent") for an  
 22 ornamental design entitled "Shoe." The '017 Patent, a copy of which is attached  
 23 hereto as Exhibit B, was filed on August 9, 2019, and duly issued by the United States  
 24 Patent and Trademark Office on May 26, 2020. Such right, title, and interest includes,  
 25 without limitation, the right to sue and receive damages for past, present, and future  
 26 patent infringement.

27 28. By way of assignment, Rothy's is the owner of all rights, title and  
 28 interest in and to United States Patent No. D909,718 (the "'718 Patent") for an



1 ornamental design entitled “Shoe.” The ’718 Patent, a copy of which is attached  
 2 hereto as Exhibit C, was filed on April 25, 2019, and duly issued by the United States  
 3 Patent and Trademark Office on February 9, 2021. Such right, title, and interest  
 4 includes, without limitation, the right to sue and receive damages for past, present,  
 5 and future patent infringement.

6 29. By way of assignment, Rothy’s is the owner of all rights, title and  
 7 interest in and to United States Patent No. D870,425 (the “’425 Patent”) for an  
 8 ornamental design entitled “Portion of a Shoe.” The ’425 Patent, a copy of which is  
 9 attached hereto as Exhibit D, was filed on August 8, 2019, and duly issued by the  
 10 United States Patent and Trademark Office on December 24, 2019. Such right, title,  
 11 and interest includes, without limitation, the right to sue and receive damages for  
 12 past, present, and future patent infringement.

#### 13 BIRDIES INFRINGES THE ROTHY’S ASSERTED DESIGN PATENTS

14 30. On information and belief, between October 2019 and October 2020,  
 15 Birdies, or someone acting on its behalf, purchased numerous pairs of Rothy’s  
 16 footwear products for the purpose of copying. The Rothy’s products were shipped to  
 17 Birdies’ corporate address in San Francisco and, on information and belief, paid for  
 18 by an officer or director of Birdies.

19 31. On information and belief, with Rothy’s products in hand, Birdies began  
 20 reviewing, researching, and copying the designs claimed by the Rothy’s Asserted  
 21 Design Patents.

22 32. On information and belief, in or about February 2021, without Rothy’s  
 23 authorization, Birdies began marketing, manufacturing, offering for sale, and/or  
 24 importing into the United States a shoe named the “The Blackbird”—a pointed-toe,  
 25 slipper cut ballerina flat having a knitted upper (the “Infringing Product”).<sup>2</sup>

26  
 27 <sup>2</sup> On at least one occasion, Birdies has referred to the Infringing Product as “The  
 28 Engineered Knit Blackbird.” See <https://birdies.com/collections/womens-shoes-washable> (last visited April 5, 2021).

33. Birdies also sells a shoe similarly named The Blackbird without a knitted upper. However, despite being marketed under the same name as the Infringing Product, The Blackbird shoe without the knitted upper has a substantially different overall appearance and visual impression from the Infringing Product. Indeed, the respective models are so different in overall appearance that, as shown in the table below comparing annotated screenshots of Birdies' website,<sup>3</sup> Birdies even explicitly offers differing fit guidance for The Blackbird shoe without the knitted upper than for the Infringing Product.

Birdies – Shoe Named “The Blackbird” Without Knitted Upper	Birdies - The Infringing Product
	

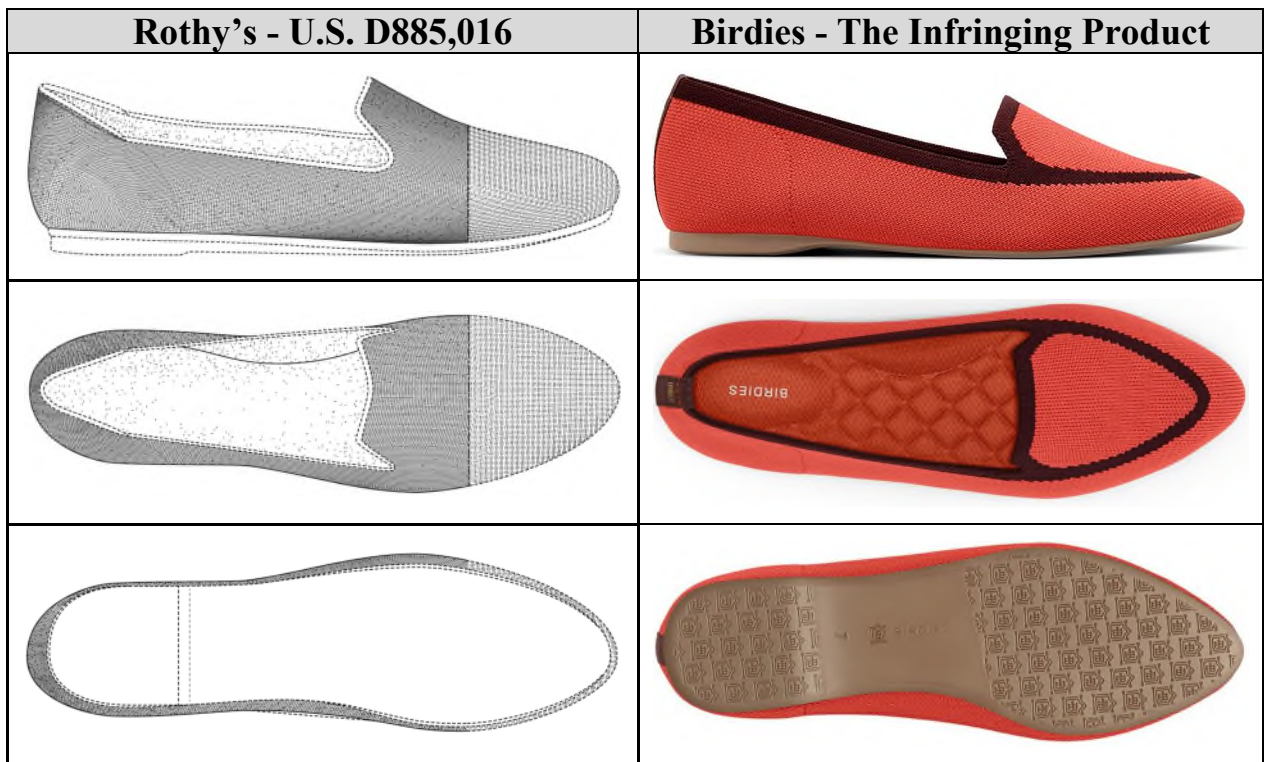
34. The overall appearance of the claimed designs of the Rothy's Asserted Design Patents and the corresponding design of the Infringing Product are substantially the same.

35. An ordinary observer will perceive the overall appearance of the claimed designs of the Rothy's Asserted Design Patents and the corresponding design of the Infringing Product to be substantially the same.

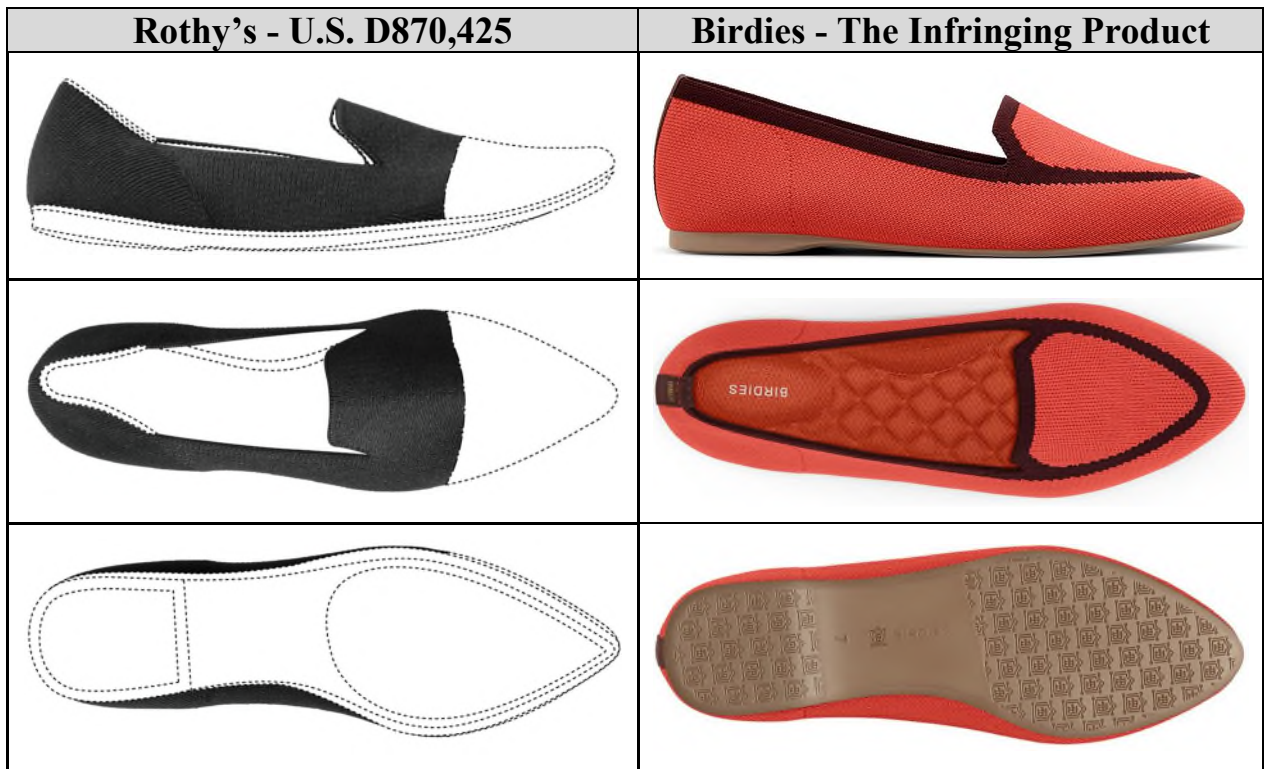
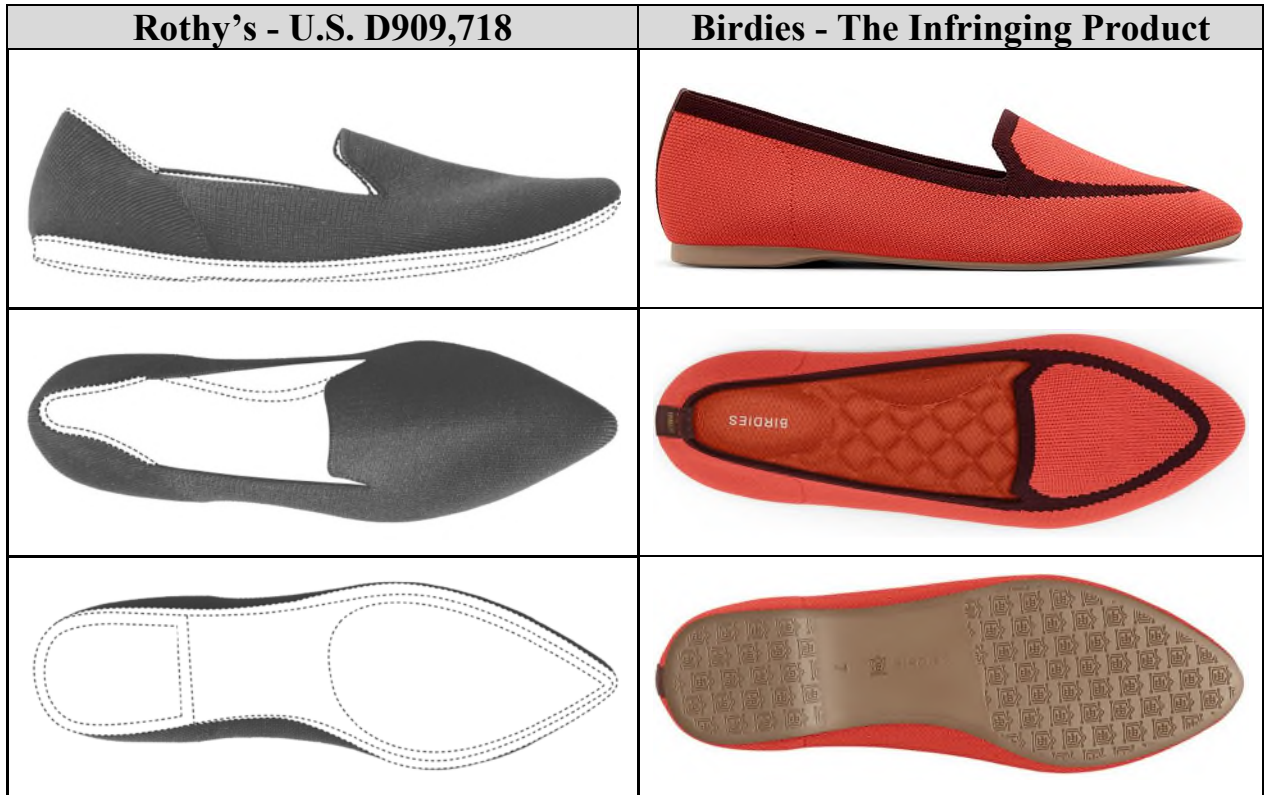
36. The tables below illustrate Birdies' infringements by comparing figures from the Rothy's Asserted Design Patents with images of the Infringing Product. In Rothy's patent figures, the claimed designs are shown in solid lines. The broken lines

<sup>3</sup> <https://birdies.com/collections/the-blackbird> (last visited April 5, 2021).

depicting the remainder of the shoe show features that form no part of the claimed designs:







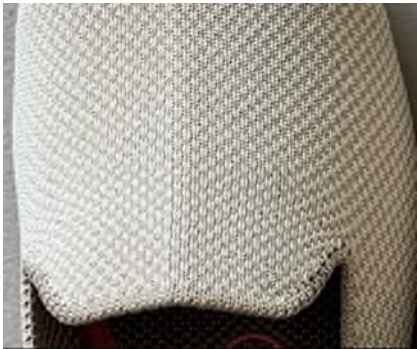



37. On information and belief, Birdies intended to and did copy the claimed designs of the Rothy's Asserted Design Patents by creating the same or similar overall impression as Rothy's designs.

38. Birdies' bad faith intent in their copying of Rothy's designs is underscored by their propensity to draw liberal "inspiration" from Rothy's products, leading up to the release of the Infringing Product. For example, in or around, July 2020, Birdies released a colorway pattern of its shoe model "The Swan," that appears to have been derived from a colorway pattern offered for Rothy's "Marta Ferri x Rothy's" The Flat shoes, which had been released in October 2019.<sup>4</sup>



39. Now, the Infringing Product not only infringes the Rothy's Asserted Design Patents, it is offered in multiple colorways that are indistinguishable from colorways Rothy's currently offers for The Loafer.

<sup>4</sup> A colorway is a range of combinations of colors in which a style or design is available.

Rothy's - The Loafer	Birdies - Infringing Product
	
	

40. Rothy's has not granted a license or any other form of permission to Birdies with respect to any of its design patents or other intellectual property.

41. In accordance with 35 U.S.C. § 287(a), Rothy's virtually marks its footwear at [www.rothys.com/pages/patents](http://www.rothys.com/pages/patents) as of or shortly after the date of issuance of each patent.

42. On information and belief, Birdies had actual knowledge of the '016 Patent, the '017 Patent, and the '425 Patent before it began selling the Infringing Product.

43. On March 9, 2021, in an effort to avoid litigation, Rothy's sent, via FedEx and E-mail, correspondence notifying Birdies of its infringement of the Rothy's Asserted Design Patents, and requesting that Birdies permanently discontinue all advertising, promotion, or sale of the Infringing Product. The letter further requested that the parties enter into a dialogue. By letter dated March 19, 2021, Birdies flatly rejected Rothy's requests.





**COUNT II**  
**INFRINGEMENT OF U.S. PATENT NO. D855,017**  
**(35 U.S.C. §§ 271)**

51. Rothy's incorporates and re-alleges the allegations contained in Paragraphs 1 through 50 of its Complaint above as though fully set forth below.

52. Rothy's owns all rights, title, and interest in the '017 Patent.

53. Birdies, without authorization from Rothy's, have made, used, offered for sale, sold, and/or imported into or in the United States, and continue to make, use, offer for sale, sell, and/or import into or in the United States, the Infringing Product, which infringes the '017 Patent.

54. On information and belief, Birdies' infringement has caused Rothy's to suffer damages, and as such, Rothy's is entitled to damages pursuant to 35 U.S.C. §§ 284 and 289.

55. On information and belief, Birdies' infringement was and is willful, deliberate, malicious, and in bad faith, making this an exceptional case. Birdies knew or should have known that continuing to make, use, offer to sell, sell, and/or import the Infringing Product into the United States would directly infringe the '017 Patent, yet Birdies infringed and continues to infringe the '017 Patent. As a result, Rothy's is entitled to increased damages and attorneys' fees pursuant to 35 U.S.C. §§ 284 and 285.

56. On information and belief, Birdies has caused irreparable damage and harm to Rothy's by its acts of infringement as described above and will continue said acts of infringement unless enjoined by this Court under 35 U.S.C. § 283.

**COUNT III**  
**INFRINGEMENT OF U.S. PATENT NO. D909,718**  
**(35 U.S.C. §§ 271)**

57. Rothy's incorporates and re-alleges the allegations contained in Paragraphs 1 through 56 of its Complaint above as though fully set forth below.

58. Rothy's owns all rights, title, and interest in the '718 Patent.



66. On information and belief, Birdies' infringement has caused Rothy's to suffer damages, and as such, Rothy's is entitled to damages pursuant to 35 U.S.C. §§ 284 and 289.

67. On information and belief, Birdies' infringement was and is willful, deliberate, malicious, and in bad faith, making this an exceptional case. Birdies knew or should have known that continuing to make, use, offer to sell, sell, and/or import the Infringing Product into the United States would directly infringe the '425 Patent, yet Birdies infringed and continues to infringe the '425 Patent. As a result, Rothy's is entitled to increased damages and attorneys' fees pursuant to 35 U.S.C. §§ 284 and 285.

68. On information and belief, Birdies has caused irreparable damage and harm to Rothy's by its acts of infringement as described above and will continue said acts of infringement unless enjoined by this Court under 35 U.S.C. § 283.

### **PRAYER FOR JUDGEMENT AND RELIEF**

WHEREFORE, Rothy's prays for a judgment against Birdies as follows:

1. A judgment and order that Birdies has infringed the Rothy's Asserted Design Patents by making, using, offering to sell, selling, and/or importing its infringing shoes into the United States;

2. A judgment and order permanently enjoining Birdies and its affiliates, officers, agents, employees, attorneys, and all other persons acting in concert with Birdies, from infringing the Rothy's Asserted Design Patents;

3. A judgment and order requiring Birdies to pay Rothy's damages adequate to compensate Rothy's for Birdies' infringements of the Rothy's Asserted Design Patents pursuant to 35 U.S.C. § 284, or the total profit made by Birdies from its infringements of the Rothy's Asserted Design Patents pursuant to 35 U.S.C. § 289;

4. A judgment and order requiring Birdies to pay Rothy's supplemental damages or profits for any continuing post-verdict infringement up until entry of the

1 final judgment, with an accounting, as needed;

2 5. A judgment and order requiring Birdies to pay Rothy's increased  
3 damages up to three times the amount found or assessed pursuant to 35 U.S.C. § 284;

4 6. A judgment and order requiring Birdies to pay Rothy's pre-judgment  
5 and post-judgment interest on any damages or profits awarded;

6 7. A determination that this action is an exceptional case pursuant to 35  
7 U.S.C. § 285;

8 8. An award of Rothy's attorneys' fees for bringing and prosecuting this  
9 action;

10 9. An award of Rothy's costs and expenses incurred in bringing and  
11 prosecuting this action; and

12 10. Such further and additional relief as this Court deems just and proper.  
13

14 Dated: April 5, 2021

**ARENT FOX LLP**

16 By: /s/ Dana J. Finberg

17 DANA J. FINBERG (SBN 257459)

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20 TO BE FILED)

21 *Attorneys for Plaintiff*  
*ROTHY'S, INC.*

DEMAND FOR JURY TRIAL

Plaintiff demands a trial by jury on all matters that may be so tried.

Dated: April 5, 2021

**ARENT FOX LLP**

By: /s/ Dana J. Finberg

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